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AIR

MOB-A-75q1

28 December 1950

Chief, Foreign Division "M"

Acting Chief of Station, Karlsruhe

**Project CADUCITY**  
**Recruitment Genesis**

**Synopsis:** This memorandum relates in chronological sequence the steps taken by BOB to effect CADUCITY's recruitment. No decisions are requested. Based on this memorandum, a formal project will be submitted.

1. The recruitment of CADUCITY grew out of an operational lead extracted from CAUTERY-3 in the course of a routine debriefing on his personal relationships with DDR officials. He claimed to know CADUCITY well, to have taken him out on a binge repeatedly and to be able to produce him in the Western Sectors of Berlin at any time desired by us. He characterized CADUCITY as a man who likes a good time, is a heavy drinker and fond of women. CAUTERY-3 was positive that CADUCITY could be had for a price.
2. In order to safeguard our operational interests in CAUTERY-3, who has been selected to serve us in a priority REDBIRD project in the East Zone, special pains had to be taken to neutralize any suspicions on CADUCITY's part that our approach had been instigated by CAUTERY-3. This we were successful in accomplishing to an extent never expected.
3. Our operational program called for an approach in three phases, necessitating the insertion of at least two out-outs between CAUTERY-3 and the case officer. In order to accomplish this, we called in CAISSON-19, a man-about-town admirably suited to catering to CADUCITY's worldly tastes. We brought CAISSON-19 and CAUTERY-3 together, both being introduced by their true names. With the case officer in the chair, the following scheme was worked out: CAUTERY-3 would invite CADUCITY to a gay evening in a night-club. There - ostensibly by accident - CAUTERY-3 would run into a casual wartime comrade, CAISSON-19. The latter would strike up a friendship with CADUCITY, impressing him with his affluence and savoir vivre. From there on CAISSON-19's star would shine bright, with CAUTERY-3 receding. Next, CAISSON-19 would introduce CADUCITY to a German business acquaintance, who in turn would bring CADUCITY

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together with an American official. By that time, we figured, CADUCITY would only entertain a dim recollection as to who set off this train of developments.

4. The scheme unfolded exactly as planned. On 6 December 1950, CADUCITY and CAUTERY-3 were joined in the Splendide Bar, Mollendorfsplatz, by CAISSON-19. The latter quickly established a cordial relationship with CADUCITY. CADUCITY confided to CAISSON-19 that he was ideologically disaffected and unable to make both ends meet. In order to cement their relationship, CAISSON-19 invited CADUCITY and his wife to spend a social evening at his home.

5. The party - again as planned - was staged on 8 December. Present were: CAISSON-19 and wife, CADUCITY and wife, CAUTERY-2 and wife. CAUTERY-2 posed as a visitor from Bonn whose position - not clearly defined - was of some importance. Attached herewith we are sending forward CAUTERY-2's report on what transpired that evening. The net effect was that CADUCITY came out into the open with a scarcely veiled offer of cooperation. The finishing touches were put on by CAISSON-19 who for the first time introduced the American angle. He proposed, and CADUCITY readily acceded to meeting an American representative.

6. On 14 December I met CADUCITY and CAISSON-19 at the latter's residence. After a lavish supper, embellished by the idle chatter of CAISSON-19's wife (an attractive and vivacious woman of Polish extraction), we got down to brass tacks. Thanks to the outstanding spade work done by CAISSON-19 and CAUTERY-2, I had easy going. We agreed upon the formula that cooperation between CADUCITY and the United States would be a desirable end all round. The icing of the cake - as always - was a community of interests between the United States and Germany (warding off the Bolshevik danger and all that). All the while I was thinking of economic statistics and CADUCITY of material and other considerations we might be prepared to offer in payment for those statistics.

7. Our next meeting, on 26 December, took place in an operational house with only CADUCITY and myself present. On the basis of the knowledge brief I extracted at this meeting, dealt with in a separate memorandum, I concluded that CADUCITY represents in fact a potential source of considerable importance.

8. The following terms were discussed and found acceptable by CADUCITY:

a. Beginning 1 January 1951, CADUCITY will be granted a compensation of 400 DM (West) per month, to be deposited for him in an account set up by the organization for this purpose, balance payable upon termination of his contract with us.

b. We are committed at the time CADUCITY quits his service with the DDR government, to assist him and his family

- (1) in travelling securely to Western Germany,
- (2) in obtaining legal residence at a place of his choosing,
- (3) in removing all legal obstacles resulting from his previous DDR allegiance, government position and SED membership.

We are not committed (this was explicitly stated) to assist CADUCITY in finding a job in Western Germany (it was explained to him that our influence is waning

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SECRET

in the West and that we are thus unable to bring to bear pressure on government or private industry to employ him.

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